

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-2573/3	Introduction Number AB-0481
Description motor vehicle fleet registration and making an appropriation	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.395 (5) (cq)	
Agency/Prepared By DOT/ John Gilchrist (608) 266-7135	Authorized Signature Joan Meier (608) 267-6978
Date 8/30/2021	

Fiscal Estimate Narratives

DOT 8/30/2021

LRB Number	21-2573/3	Introduction Number	AB-0481	Estimate Type	Original
Description motor vehicle fleet registration and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

If 2021 AB481 is enacted, the Department of Transportation will be creating and issuing a fleet plate. The cost to the Department of producing and mailing the fleet plate is estimated at \$8.50 each. An issuance fee of \$8.50 will be applied to cover the cost of manufacturing and mailing. The Department anticipates the issuance of 10,000 fleet plates per year in the first two years of availability with a decline beginning in the third year. This is based on the estimated number of existing fleet vehicles used in Wisconsin. It is estimated that the bill would produce \$85,000 in revenue per year while the cost of producing and mailing would be the same amount. Additionally, the bill allocates an additional \$85,000 to the Division of Motor Vehicles' (DMV) annual operating appropriation, s. 20.395 (5) (cq), starting in fiscal year 2021-22, which is expected to fully cover the cost of manufacturing and delivery.

The proposal eliminates the need for the Department to issue annual stickers upon renewal of the registration. Annual stickers cost the Department \$0.051 each and are distributed to fleets in bulk. Assuming there are 10,000 plates issued in the first year and an additional 10,000 plates in the second year, the Department may see a very small cost decrease (\$1,000 or less) due to less stickers being needed. The Department also anticipates postage cost savings due to fewer required mailings of stickers, though the savings are indeterminate as it is unknown how many existing fleets might switch to sticker-free plates.

Long-Range Fiscal Implications

The Department projects that after the initial two years of issuing fleet plates that number of fleet plates issued will drop dramatically as existing vehicle fleets finish their transition. Annually, the Department would save \$0.051 per fleet plate by not having to issue annual plate stickers. This could result in minor savings of approximately \$500 for every 10,000 fleet plates issued.

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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Description motor vehicle fleet registration and making an appropriation		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
There are some expected IT-related costs, but these costs are undeterminable.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs	85,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$85,000	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S (s. 20.395 (5) (cq))	85,000	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S	85,000	
TOTAL State Revenues	\$85,000	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$85,000	\$
NET CHANGE IN REVENUE	\$85,000	\$
Agency/Prepared By	Authorized Signature	Date
DOT/ John Gilchrist (608) 266-7135	Joan Meier (608) 267-6978	8/30/2021